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**DANTEC LIMITED**  
**DIRECTOR'S REPORT AND ACCOUNTS**  
**for the year ended**  
**30th April 2009**

**Company Registration Number 01057158**

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COMPANIES HOUSE

# **DANTEC LIMITED**

## **Accounts**

**Year ended 30th April 2009**

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# **DANTEC LIMITED**

## **Officers and Professional Advisers**

**The director**

E J Davis

**Company secretary**

Mrs M Davis

**Registered office**

Tarran Industrial Estate  
Tarran Way  
Moreton  
Wirral  
Merseyside  
CH46 4TL

**Auditor**

Mitchell Charlesworth  
Chartered Accountants  
Statutory Auditor  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

# **DANTEC LIMITED**

## **The Director's Report**

### **Year ended 30th April 2009**

The director presents his report and the accounts of the company for the year ended 30th April 2009.

#### **Principal activities and business review**

The principal activities of the company during the year were the manufacture of composite hoses, hose assemblies, gaskets and seals.

The director is pleased with the growth in turnover and profit over that of the previous year. Although future growth will be inherently affected by the current economic climate, the director believes that the business is well placed to perform well in the current financial year.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £479,077. The director has not recommended a dividend.

#### **Financial risk management objectives and policies**

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements.

#### **Director**

The director who served the company during the year was as follows:

E J Davis

#### **Auditor**

Mitchell Charlesworth are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the director



Mrs M Davis  
Company Secretary

Approved by the director on 7th October 2009

# **DANTEC LIMITED**

## **Statement of Director's Responsibilities**

**Year ended 30th April 2009**

The director is responsible for preparing the Director's Report and the accounts in accordance with applicable law and regulations.

Company law requires the director to prepare accounts for each financial year. Under that law the director has elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the accounts comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

# Mitchell Charlesworth

Chartered Accountants  
5 Temple Square Temple Street Liverpool

## **DANTEC LIMITED**

### **Independent Auditors' Report to the Shareholders of Dantec Limited**

**Year ended 30th April 2009**

We have audited the accounts of Dantec Limited for the year ended 30th April 2009 on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30th April 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the accounts are prepared is consistent with the accounts.

# Mitchell Charlesworth

Chartered Accountants  
5 Temple Square Temple Street Liverpool

## DANTEC LIMITED

### Independent Auditors' Report to the Shareholders of Dantec Limited *(continued)*

Year ended 30th April 2009

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



MR C.H. PLUMMER (Senior  
Statutory Auditor)  
For and on behalf of  
MITCHELL CHARLESWORTH  
Chartered Accountants  
Statutory Auditor

5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

7th October 2009

# DANTEC LIMITED

## Profit and Loss Account

Year ended 30th April 2009

	Note	2009 £	2008 £
<b>Turnover</b>	<b>2</b>	5,744,721	5,100,655
Cost of sales		3,329,236	3,054,967
<b>Gross profit</b>		2,415,485	2,045,688
Distribution costs		1,088,107	944,861
Administrative expenses		651,064	600,553
Other operating income	<b>3</b>	(38,041)	(25,204)
<b>Operating profit</b>	<b>4</b>	714,355	525,478
Interest receivable	<b>7</b>	218	896
Interest payable and similar charges	<b>8</b>	(100,813)	(101,303)
<b>Profit on ordinary activities before taxation</b>		613,760	425,071
Tax on profit on ordinary activities	<b>9</b>	134,683	106,072
<b>Profit for the financial year</b>		<u>479,077</u>	<u>318,999</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 18 form part of these accounts.



# DANTEC LIMITED

## Balance Sheet

30th April 2009

	Note	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	10		425,902		432,353
<b>Current assets</b>					
Stocks	11	577,414		579,514	
Debtors	12	3,540,342		3,079,854	
Cash at bank and in hand		96,116		44,327	
		<u>4,213,872</u>		<u>3,703,695</u>	
<b>Creditors: Amounts falling due within one year</b>	13	<u>1,975,775</u>		<u>1,835,617</u>	
<b>Net current assets</b>			<u>2,238,097</u>		<u>1,868,078</u>
<b>Total assets less current liabilities</b>			<u>2,663,999</u>		<u>2,300,431</u>
<b>Creditors: Amounts falling due after more than one year</b>	14		722,543		844,452
<b>Provisions for liabilities</b>					
Deferred taxation	17		17,900		11,500
			<u>1,923,556</u>		<u>1,444,479</u>
<b>Capital and reserves</b>					
Called-up equity share capital	19		103,000		103,000
Share premium account	20		3,000		3,000
Other reserves	21		6,760		6,760
Profit and loss account	22		1,810,796		1,331,719
<b>Shareholders' funds</b>	23		<u>1,923,556</u>		<u>1,444,479</u>

Included within debtors above are amounts owed by group undertakings of £2,385,473 (2008 £1,975,069), which are due after more than one year.

These accounts were approved and signed by the director and authorised for issue on 7th October 2009.



E J Davis

The notes on pages 8 to 18 form part of these accounts.

# **DANTEC LIMITED**

## **Notes to the Accounts**

**Year ended 30th April 2009**

### **1. Accounting policies**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention.

#### **Cash flow statement**

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that a cash flow statement is available in the consolidated accounts of Dantec Hose Limited.

#### **Related parties transactions**

Details of transactions with fellow group undertakings are not disclosed in these accounts as they are included in the consolidated accounts of Dantec Hose Limited.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% per annum straight line basis
Plant & Machinery	- 20% per annum reducing balance basis
Fixtures & Fittings	- 20% per annum reducing balance basis
Motor Vehicles	- 25% per annum reducing balance basis or over the lease period

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

# **DANTEC LIMITED**

## **Notes to the Accounts**

**Year ended 30th April 2009**

### **1. Accounting policies *(continued)***

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Government grants**

Government grants received in respect of revenue expenditure, are released to the profit and loss account in the same period as the expenditure they were provided for.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account in accordance with the depreciation policy of the asset they were provided for.

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.  
An analysis of turnover is given below:

	2009	2008
	£	£
United Kingdom	1,882,415	1,990,860
Overseas	3,862,306	3,109,795
	<u>5,744,721</u>	<u>5,100,655</u>

### 3. Other operating income

	2009	2008
	£	£
Grant income	<u>38,041</u>	<u>25,204</u>

### 4. Operating profit

Operating profit is stated after charging:

	2009	2008
	£	£
Depreciation of owned fixed assets	26,569	25,956
Depreciation of assets held under hire purchase agreements	16,279	20,716
Loss on disposal of fixed assets	2,460	6,417
Auditors' remuneration		
- as auditor	4,850	4,850
- for other services	<u>8,985</u>	<u>3,000</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2009	2008
	No	No
Factory and production	24	23
Sales and marketing	17	16
Office, management and administration	14	13
	<u>55</u>	<u>52</u>

The aggregate payroll costs of the above were:

	2009	2008
	£	£
Wages and salaries	1,106,825	1,018,522
Social security costs	108,731	99,776
Other pension costs	72,292	54,594
	<u>1,287,848</u>	<u>1,172,892</u>

### 6. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were:

	2009	2008
	£	£
Remuneration receivable	39,042	39,707
Value of company pension contributions to money purchase schemes	22,903	20,698
	<u>61,945</u>	<u>60,405</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

### 7. Interest receivable

	2009	2008
	£	£
Bank interest receivable	<u>218</u>	<u>896</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 8. Interest payable and similar charges

	2009 £	2008 £
Interest payable on bank borrowing	50,708	44,851
Finance charges	3,058	2,688
Other similar charges payable	47,047	53,764
	<u>100,813</u>	<u>101,303</u>

### 9. Taxation on ordinary activities

#### (a) Analysis of charge in the year

	2009 £	2008 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	144,024	100,856
Over/under provision in prior year	(15,741)	216
Total current tax	<u>128,283</u>	<u>101,072</u>
Deferred tax:		
Origination and reversal of timing differences	6,400	5,000
Tax on profit on ordinary activities	<u>134,683</u>	<u>106,072</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 - 30%).

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>613,760</u>	<u>425,071</u>
Profit on ordinary activities by rate of tax	171,853	127,521
Expenses not deductible for tax purposes	5,660	4,049
Capital allowances for period in excess of depreciation	(6,403)	(3,822)
Qualifying R&D expenditure deduction	(10,852)	-
Adjustments to tax charge in respect of previous periods	(15,741)	216
Marginal relief	(16,234)	(26,892)
Total current tax (note 9(a))	<u>128,283</u>	<u>101,072</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 10. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 May 2008	336,432	244,232	65,095	39,431	685,190
Additions	—	39,011	3,596	—	42,607
Disposals	—	—	—	(14,720)	(14,720)
<b>At 30 April 2009</b>	<u>336,432</u>	<u>283,243</u>	<u>68,691</u>	<u>24,711</u>	<u>713,077</u>
<b>Depreciation</b>					
At 1 May 2008	56,214	133,025	47,070	16,528	252,837
Charge for the year	4,308	30,043	4,324	4,173	42,848
On disposals	—	—	—	(8,510)	(8,510)
<b>At 30 April 2009</b>	<u>60,522</u>	<u>163,068</u>	<u>51,394</u>	<u>12,191</u>	<u>287,175</u>
<b>Net book value</b>					
<b>At 30 April 2009</b>	<u>275,910</u>	<u>120,175</u>	<u>17,297</u>	<u>12,520</u>	<u>425,902</u>
At 30 April 2008	<u>280,218</u>	<u>111,207</u>	<u>18,025</u>	<u>22,903</u>	<u>432,353</u>

Included in freehold land and buildings cost is an amount of £121,000 which relates to non-depreciable land.

#### Hire purchase agreements

Included within the net book value of £425,902 is £60,942 (2008 - £75,231) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £16,279 (2008 - £20,716).

### 11. Stocks

	2009 £	2008 £
Raw materials	178,156	199,420
Work in progress	29,826	21,222
Finished goods	369,432	358,872
	<u>577,414</u>	<u>579,514</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 12. Debtors

	2009	2008
	£	£
Trade debtors	1,114,586	1,039,900
Amounts owed by group undertakings	2,385,473	1,975,069
Other debtors	15,289	31,628
Corporation tax	18,741	3,000
Prepayments and accrued income	6,253	30,257
	<u>3,540,342</u>	<u>3,079,854</u>

Amounts owed by group undertakings detailed above are payable after more than one year.

### 13. Creditors: Amounts falling due within one year

	2009	2008
	£	£
Bank loans and overdrafts	1,000,751	863,714
Trade creditors	514,639	631,227
Corporation tax	177,643	100,856
Other taxation and social security	41,089	34,551
Hire purchase agreements	18,682	33,066
Other creditors	6,918	500
Accruals and deferred income	216,053	171,703
	<u>1,975,775</u>	<u>1,835,617</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2009	2008
	£	£
Bank loans and overdrafts	1,000,751	863,714
Hire purchase agreements	18,682	33,066
	<u>1,019,433</u>	<u>896,780</u>

Included in bank loans and overdrafts is an amount of £799,765 (2008 £727,896) due to Royal Bank of Scotland Commercial Services plc which is secured by a charge on the trade debts of the company.



# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 14. Creditors: Amounts falling due after more than one year

	2009	2008
	£	£
Bank loans and overdrafts	521,347	628,640
Hire purchase agreements	1,196	15,812
Director's loan account	200,000	200,000
	<u>722,543</u>	<u>844,452</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2009	2008
	£	£
Bank loans and overdrafts	521,347	628,640
Hire purchase agreements	1,196	15,812
	<u>522,543</u>	<u>644,452</u>

Interest is charged on the bank loans at a variable rate per annum of 2% over base rate. The loans are secured by a first legal charge over the freehold property held by the company, and an unlimited debenture and guarantee from DFH Hose Limited.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2009	2008
	£	£
Bank loans and overdrafts	<u>297,357</u>	<u>350,073</u>

### 15. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	2009	2008
	£	£
Amounts repayable:		
In one year or less or on demand	186,224	97,888
In more than one year but not more than two years	81,188	105,788
In more than two years but not more than five years	142,802	172,829
In more than five years	297,357	350,073
	<u>707,571</u>	<u>726,578</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2009 £	2008 £
Amounts payable within 1 year	20,424	35,918
Amounts payable between 2 to 5 years	1,343	17,201
	<u>21,767</u>	<u>53,119</u>
Less interest and finance charges relating to future periods	(1,889)	(4,241)
	<u>19,878</u>	<u>48,878</u>
Hire purchase agreements are analysed as follows:		
Current obligations	18,682	33,066
Non-current obligations	1,196	15,812
	<u>19,878</u>	<u>48,878</u>

### 17. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	11,500	6,500
Profit and loss account movement arising during the year	6,400	5,000
Provision carried forward	<u>17,900</u>	<u>11,500</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	17,900	11,500
	<u>17,900</u>	<u>11,500</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 18. Related party transactions

Mr E.J. Davis, company director, made a loan to the company of £200,000 during the prior year. The loan is repayable after more than one year and interest was accrued throughout the year at 3% over base rate. Total interest charged during the year amounted to £11,267 (2008 £10,667).

Amounts due from group undertakings will only be settled following a distribution from the company, or the sale of the company, with part of the proceeds being used to repay the debt.

### 19. Share capital

#### Authorised share capital:

	2009 £	2008 £
120,000 Ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>

#### Allotted, called up and fully paid:

	2009 No	2009 £	2008 No	2008 £
Ordinary shares of £1 each	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>

### 20. Share premium account

There was no movement on the share premium account during the financial year.

### 21. Other reserves

	2009 £	2008 £
Capital reserve account	<u>6,760</u>	<u>6,760</u>

### 22. Profit and loss account

	2009 £	2008 £
Balance brought forward	1,331,719	1,012,720
Retained profit for the financial year	479,077	318,999
Balance carried forward	<u>1,810,796</u>	<u>1,331,719</u>

# DANTEC LIMITED

## Notes to the Accounts

Year ended 30th April 2009

### 23. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	479,077	318,999
Opening shareholders' funds	<u>1,444,479</u>	<u>1,125,480</u>
Closing shareholders' funds	<u>1,923,556</u>	<u>1,444,479</u>

### 24. Ultimate parent undertaking

On 27th March 2009, Mr. E.J. Davis exchanged his shares in DFH Hose Limited for shares in Dantec Hose Limited.

The ultimate parent undertaking is Dantec Hose Limited, which owns the entire issued share capital in the immediate parent undertaking, DFH Hose Limited, following the above date. Both company's are incorporated in England.

The ultimate controlling party is Mr. E.J. Davis, who is a director and controlling shareholder of Dantec Hose Limited.